2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

BUDGET GUIDE

CITY OF SAN JOSE ANNUAL BUDGET PROCESS

	RESIDENTS	MAYOR & CITY COUNCIL	CITY ADMINISTRATION		
October	Input on Budget Priorities and Direction Through: □ ■ Direct contact with Mayor and City Council □ ■ Customer and Community-wide Surveys	Review of Prior-Year Financial and Service Results Provides feedback and guidance to Administration on service enhancement priorities	Annual Report of Prior-Year Financial and Service Results Report to City Council and Community on results achieved		
November December January			Begin Update of City Service Area (CSA) Strategic Business Plans and Action Plans Develop service delivery and investment strategies for upcoming budget		
February			Transmit to Council City Manager's Budget Request and Updated 5-Year Forecast and Revenue Projections for the General Fund and Capital Improvement Program Projects revenues for next 5-year period. Projects General Fund expenditures at amounts that allow same service level as previous year		
March		Mayor's Budget Message Provides more specific direction for preparation of the Proposed Budget	Finalize Proposed Business/Action Plans and Investment Strategies CSAs incorporate strategic planning and City Council direction into results-driven spending plans		
April			Evaluate Investment Strategies and All Other Budget Issues Analyze investment strategies and other service delivery options within context of fiscal outlook		
May	Initial Public Hearing on Proposed Budget City Council meets to receive public input on Proposed Budget	Review Proposed Budget in Budget Study Sessions Working sessions with City Manager, CSA and department representatives to review details of the Proposed Budget Release of Mayor and City Council Budget Documents Requested reports and amendments to the Proposed Budget	Release CSA Business Plans and City Manager's Proposed Budget/Capital Improvement Plan Provide strategic service planning context and City Administration's proposed revenue projections and balanced spending plan Release of City Manager's Budget Addenda Administration's reports and amendments to the Proposed Budget are submitted for City Council review during Budget Study Sessions		
Public Hearing on Final Proposed Budget Modifications Last opportunity for public input on Proposed Budget		Mayor's Final Proposed Budget Modification Memorandum Changes to Proposed Budget based on feedback from City Council and Public			

CAPITAL PROGRAMS BY CITY SERVICE AREA

Aviation Services

Airport

Public Safety

Public Safety

Economic & Neighborhood Development

Developer Assisted Projects

Recreation & Cultural Services

Library
Park & Community Facilities

Environmental & Utility Services

Sanitary Sewer Storm Sewer Water Pollution Control Water Utility System **Transportation Services**

Parking Traffic

Strategic Support

Civic Center
Communications
Municipal Improvements
Service Yards

CAPITAL PROGRAM PERFORMANCE MEASURES

San José's approach to capital project delivery is being transitioned from a department level delivery system to a City Service Area (CSA) delivery system. In 2003-2004, a set of consistent and comprehensive performance measurements was established for the entire capital program. Measures were created in four key measurement areas: schedule (cycle time), cost, quality, and customer satisfaction.

The following table lists the City-wide capital program performance measures. These measures are designed to provide uniformity and consistency, provide clear and measurable outcomes, and to encourage operating CSAs and departments to consider total requirements for service delivery, including capital facilities and assets. Therefore, these capital measures are also reported by CSA in this document and in the Adopted Operating Budget as part of each CSA's Performance by Outcome section.

City-Wide Capital Program Performance Measures

5-Year Strategic		2005-2009	2003-2004	2003-2004	2004-2005
Goals	Performance Measures		1-Year Target	The second second second second second	1-Year Target
Deliver quality CIP projects on-time and on- budget	 % of CIP projects that are delivered within 2 months of approved baseline schedule 	TBD	85%	75% 144/192	85%
	% of CIP projects that are completed within the approved baseline budget	TBD	90%	TBD	90%
	 % of project delivery costs (exclusive of Citywide overhead) compared to total construction costs for completed projects with construction costs: 				
	less than \$500,000-	TBD	TBD	TBD	31%
	between \$500,000 and \$3M-	TBD	TBD	TBD	23%
	greater than \$3M-	TBD	TBD	TBD	15%
	 % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after the first year of use 	TBD	80%	TBD	80%
	 % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5) 				
	Public-	TBD	85%	TBD	85%
	City Staff-	TBD	85%	TBD	85%

CAPITAL PROGRAM PERFORMANCE MEASURES (CONT'D.)

Performance Measure Development

The targets for **project delivery costs** will be adopted for 2004-2005. Once a project is identified and scoped, the project delivery costs represent all expenses for completing the project other than land acquisition, construction costs, and City-wide overhead. In order to derive the adopted project delivery cost targets, staff performed various analyses of historical data within the City of San José, of other cities, and the private sector.

The project delivery costs measure reports the project delivery cost as a percentage of construction costs, as opposed to total project costs. A comparison to construction costs is used to enable benchmarking with other jurisdictions and the private sector. Project delivery cost targets have been set on a sliding scale for projects based on construction costs. The targets reflect the tendency of smaller projects to have a higher percentage of delivery costs versus larger projects. The reason is that smaller projects have the same fixed-cost components as larger projects such as the bidding and award process, environmental clearance and community outreach.

The other one-year targets for 2004-2005 remain the same as 2003-2004, and five-year targets have not been established due to limited historical data. On-time performance data (measure one) for 2003-2004 is presented in this document. A new accounting structure was established for projects starting in 2002-2003 and as those projects are completed, data will become available to calculate the budget and delivery cost measures (measures two and three). The surveys involved under measure four (quality) and measure five (customer satisfaction) are performed one year after the project has been completed and will be conducted for projects completed in 2003-2004 with data becoming available in 2004-2005.

CAPITAL BUDGET GUIDE

The Capital Budget document includes the City Manager's Budget Message that outlines the significant issues and policy issues by City Service Area (CSA). The Community Profile section includes basic City data as well as a listing of State and Local Legislative Highlights. Summary expected revenues **Information** of expenditures is then presented, along with oneyear and five-year comparisons to the prior Adopted Capital Budget and Improvement Program (CIP) and the comparative five-year history of the total CIP. The Capital Budget Policies and Practices are also presented below.

CAPITAL PROGRAMS BY CITY SERVICE AREA

The Capital Budget document includes the following programs organized by City Service Area:

Aviation Services CSA

Airport Capital Program

Economic and Neighborhood Development CSA

 Developer Assisted Projects Capital Program

Environmental and Utility Services CSA

- Sanitary Sewer System Capital Program
- Storm Sewer System Capital Program
- Water Pollution Control Capital Program
- Water Utility System Capital Program

Public Safety CSA

Public Safety Capital Program

Recreation and Cultural Services CSA

- Library Capital Program
- Park and Community Facilities Capital Program

Transportation Services CSA

- Parking Capital Program
- Traffic Capital Program

Strategic Support CSA

- Civic Center Capital Program
- Communications Capital Program
- Municipal Improvements Capital Program
- Service Yards Capital Program

CITY SERVICE AREA OVERVIEWS

Each section includes a brief overview of the programs, a description of performance measures, and a listing of all the projects funded within that CSA.

CAPITAL PROGRAMS

Each capital program is organized as follows:

Program Charts

The charts at the front of each program illustrate sources and uses of funds in 2004-2005 and the total program history for the last five years.

Maps

The majority of the capital programs include maps that illustrate the location of individual projects programmed in the 5-year CIP.

Program Overview

In order to summarize the key elements of the Adopted Five-Year CIP, departments prepare a narrative statement for each program. Program Overviews may vary slightly in presentation styles, but all programs include several of the following key elements:

CAPITAL BUDGET GUIDE (CONT'D.)

CAPITAL PROGRAMS (CONT'D.)

Program Overview (Cont'd.)

- Introduction: This section provides a brief description of the program, including a discussion of the CSA supported by the program and the associated CSA outcomes.
- Program Priorities and Objectives: This section includes a description of how projects were prioritized, tied to the CSA outcomes and performance goals. This section also includes a discussion of the relationship of the adopted program to overall program objectives and adopted standards or service levels.
- Sources of Funding: This section describes the various funding sources for each capital program. The assumptions that were used in arriving at revenue projections and any major changes in revenue streams are also discussed.
- Program Highlights: This section describes the major projects included in the 5-year CIP. The discussion of these projects is often grouped by functional program within each CIP.
- Major Changes from the 2004-2008 Adopted CIP: This section summarizes the major changes from the prior Adopted CIP.
- Operating Budget Impact: This section includes a general description of the operating impacts along with a chart that lists the annual operating costs associated with the individual projects included in the capital program. Costs are shown starting in the year the projects will be finished and for the remainder of the five-year period, with the exception of projects that have costs in the first year of the

- CIP. For those first year projects, the Operating costs have been addressed in the Adopted Operating Budget. The estimated costs for the remaining years of the CIP are provided by departments and have not yet been fully analyzed by the Budget Office. The analysis may well result in different costs when the actual budget for the year in question is formulated.
- Furnishings, Fixtures and Equipment Summary: This section includes a summary of the furnishings, fixtures and equipment (FF&E) costs for the General Obligation Bond projects in the Public Safety, Library, and Parks and Community Facilities Capital Programs. FF&E costs are not eligible for funding from bond proceeds and alternate funding must be provided.

Source and Use of Funds

A Source of Funds Statement and Use of Funds Statement are included for all programs. These statements display all capital revenues by fund and all capital expenditures by line item in the year they are anticipated to be received and expended.

Line items are generally grouped into two categories: construction projects and non-construction expenditures. Construction projects include items such as land acquisition, design, construction, and equipment associated with a project. Non-construction items include payments to other agencies, reserves, studies, transfers, and overhead-related expenses.

The current year revenues and expenditures are also displayed on the Source of Funds and Use of Funds Statements, but are not reflected in five-year totals because the 5-Year CIP relates to the upcoming five years rather than the current year. A Use of Funds by Funding Source statement for the first year of the CIP is provided for those

CAPITAL BUDGET GUIDE (CONT'D.)

CAPITAL PROGRAMS (CONT'D.)

Source and Use of Funds (Cont'd.)

programs with multiple funding sources in order to summarize the amount contributed by each funding source for a particular project.

Detail of Capital Projects

The Detail Pages provide information on individual capital projects that are budgeted in 2004-2005, including a project description and a breakdown of the project cost elements and funding sources. Following are explanations for each section of the detail page:

- CSA: Lists the City Service Area (CSA) associated with the project.
- CSA Outcome: Lists the outcomes for the City Service Area supported by the project.
- Department: Lists the department responsible for the project.
- Council District: Lists the Council District number for the project.
- Location: Lists the address or physical location of the project.
- Initial/Revised Start Date: Lists the initial and revised (if applicable) start date, the first quarter in which charges will be/were charged against the appropriation, based on the calendar year.
- Initial/Revised Completion Date: Lists the initial and revised (if applicable) completion date, which is defined as the beneficial use date of the project, based on the calendar year.

- Description: The description describes what the project will provide and includes details such as the size of a new facility; the types of amenities to be provided; information on whether the project renovates an existing site or is a new facility; the change in capacity of a new or improved system; the number of square miles improved or the physical boundaries of the improvement; and the type of system improvements.
- Justification: The project justification states why the project is necessary.
- Expenditure Schedule: Provides a breakdown of the project costs by fiscal year by the following costs elements: Development; Property and Land; Design; Bid & Award; Construction; Post Construction; Public Art; Equipment; Maintenance; Grant; Library Materials; Reserve; Lease; Debt Service; Payments to Developers; Master Plan/Study; Advanced Planning; Training Development; Transfers to Other Fund; Transfer to Other Agencies; Program and Engineering Management; and Inspection. The costs are summarized by fiscal years as follows:
 - The "Prior Years" column is the total expended for the project in prior fiscal years.
 - The "2003-04 Appropriation" column is the total of the current appropriation for the project plus any carryover appropriation from the prior year, including any appropriation adjustments approved to date.
 - The "2003-04 Estimate" column includes all expenses and encumbrances estimated through the end of the current fiscal year.

CAPITAL BUDGET GUIDE (CONT'D.)

CAPITAL PROGRAMS (CONT'D.)

Detail of Capital Projects (Cont'd.)

- Expenditure Schedule: (Cont'd.)
 - The "2004-05 through 2008-09 Estimate" columns provide expenditure estimates for each year of the 5-Year CIP. figures match the expenditure figures in the 5-Year Use of Funds statement. A "5-Year Total column" reflects the total amount of expenditures that are expected during the 5-Year CIP only. In addition to the 5-Year Total, a "Beyond 5-Year" column is included to reflect costs that are expected to be incurred beyond the 5-Year CIP period. The Project Total column reflects all prior, current, and future year expenditures. To more accurately reflect future costs, an inflation factor of 5% had been added each year.
- Funding Source Schedule: The name of each fund contributing to the funding of the project is shown. The total in each year of the Funding Source Schedule matches the total in each year of the Expenditure Schedule.
- Annual Operating Budget Impact: section lists, if applicable, a preliminary estimate for operating and maintenance costs that will be incurred within the next five-year period. These cost estimates are provided by the appropriate department and have not been reviewed or verified by the City Manager's Budget Office. Actual costs eventually budgeted do often vary from these estimates. The information included in this section is also summarized in the Program Overview. For projects that are scheduled to be completed in the first year of the CIP, the operating costs for the first year are not reflected because they have already been

addressed in the Adopted Operating Budget. The following components are included in this section:

- Debt Service: Debt service related to this particular project/facility for each of the five years.
- Maintenance: The funding required to maintain the project/facility.
- Operating: The operating costs associated with the project/facility.
- Cost Offset: Revenues associated with the project/facility or operating efficiencies.
- Major Changes in Project Cost: This section identifies the CIP (or fiscal year if the change did not occur as part of the annual budget process) in which the change occurred followed by a brief explanation for the change.
- Notes: This section provides additional information or clarification about the project.
- Fiscal Year Initiated: The first year the project had funds appropriated.
- Initial Project Budget: The total project budget as it first appeared in the CIP or first approved by the City Council (if the project was first initiated outside the annual budget process).
- Appropriation #: The appropriation number for the project.
- Redevelopment Area: This section identifies whether the project is in a Redevelopment Area.

CAPITAL BUDGET GUIDE (CONT'D.)

CAPITAL PROGRAMS (CONT'D.)

Detail of Capital Projects (Cont'd.)

 SNI Area: This indicates the SNI areas for the project, if applicable.

There are several non-construction expenditures, common to more than one program that do not have Capital Project Detail Pages. These items are described below.

- Transfers to the General Fund: These transfers are typically for operating and maintenance support.
- Budget Office Capital Program Staff: This
 item provides funds for the program's pro rata
 share of the City Manager's Budget Office
 staff, which coordinates the monitoring and
 budgeting of the capital program as directed
 by the City Council.
- Capital Improvement Program (CIP) Action Team: This item provides funds for the program's pro rata share of the CIP Action Team, which works closely with the capital programs to ensure that the individual capital projects remain on schedule and within budget. This team addresses coordination issues among City departments, outside agencies, and the City Council.
- Finance Staff Support: This item provides funds for the program's pro rate share of the Finance Department's staff that provide support services to various capital programs.
- Information Technology Staff: This item provides funds for the program's pro rata share of the Information Technology Department staff that provide support services to various capital programs.

- Infrastructure Management System (IMS): This system is designed to assess the condition of capital facilities, providing information needed to ensure the City's investment in capital facilities is protected in a cost-effective manner.
- Civic Center Start-up Costs and Civic Center Occupancy Reserve: These items provide funds for each capital program's pro rata share of the estimated costs of the capitalsupported staff occupying the new Civic Center. Exact costs will be determined at a later date.

Summary of Projects That Start After 2004-2005

This summary includes those projects that have funding budgeted starting after 2004-2005. On the Use of Funds statement, these projects are not numbered.

Summary of Projects with Close-out Costs Only in 2004-2005

This summary includes those projects that are near completion with only minimal costs to finish the project budgeted in 2004-2005. These costs typically include inspection services and program management. On the Use of Funds statement, these projects show a cost in 2004-2005, but are not numbered.

Explanation of Funds

Two capital programs, Airport and Water Pollution Control, include further descriptions of the capital revenues that support their programs.

GLOSSARY OF TERMS

Appropriation

The legal authorization granted by the City Council to the Administration to make expenditures and incur obligations for purposes specified in the Appropriation Ordinance.

Business Plan

A strategic planning tool, including a short-term action plan, used to guide the evaluation and prioritization of service delivery needs, the allocation of resources, and the measurement of results. City Service Area Business Plans have a five-year planning horizon to project long-term service priorities and needs as well as the CSA's planned response to address those needs. Each CSA Business Plan contains a one-year Action Plan specifying the actions to be accomplished and the performance targets to be achieved given the allocated resources.

Capital Budget

A financial plan of capital projects and the means of financing them for a given period of time.

Capital Improvement Program (CIP)

A five-year plan, separate from the annual budget, which identifies all capital projects to be undertaken during a five-year period along with cost estimates, method of financing, and a recommended schedule for completion.

Carryover

Unspent funds, either encumbered, reserved, or unobligated, brought forward from prior fiscal years.

City Service Area (CSA)

City Service Areas integrate Core Services provided by individual departments into the City's key lines of business, as viewed from the community's perspective. CSAs enable the City to plan and show results of the collaboration among the departments at a higher organizational level. There are seven CSAs, six of which deliver direct services. The seventh, Strategic Support, represents functions that provide guidance and support to the delivery of direct services.

CSA Partners

CSA Primary (or internal) Partners include those departments with Core Services most directly responsible for overall CSA service delivery. CSA Contributing Partners include departments with operational services that contribute indirectly to CSA service delivery. CSA External Partners include organizations outside the City that collaborate with or complement City efforts toward achieving CSA outcomes.

CSA Outcome

A desirable overall condition, or "Picture of Success". At the City Service Area level, the specified outcomes are the "ends" toward which the plans, efforts, resources and results of the CSA are directed.

Contingency Reserve

An appropriation of funds to cover unforeseen events during the budget year, such as emergencies, newly required programs, shortfalls in revenue or other unforeseen eventualities.

GLOSSARY OF TERMS (CONT'D.)

Debt Service

The amount required to pay interest on and to retire the principal of outstanding debt.

Detail of Capital Projects

Section which provides information on the individual capital projects with funding in the current year, including the following: project name, CSA, CSA Outcome, Council District, project location, project description, project start and completion dates, project justification, project costs by type of expenditure, funding sources for the project, and the annual operating budget impact. These projects are numbered on the Use of Funds Statement.

Developer Fees

Account for developer deposits related to certain development projects as mandated by the State of California Assembly Bill #518.

Encumbrance

Financial obligations such as purchase orders, contracts, or commitments that are chargeable to an appropriation and for which a portion of the appropriation is reserved.

Expenditure Schedule

Section of the Detail of Capital Projects Page that displays the various funding expenditures and schedule for the capital project.

Fiscal Year

A 12-month accounting period to which the annual budget applies; for San José, it is the period from July 1 through June 30.

Fund

An independent fiscal and accounting entity used to account for all financial transactions related to the specific purpose for which the fund was created by ordinance.

Fund Balance

The difference between total revenue sources and total expenditures in a fund. The fund balance is calculated at the end of the fiscal year.

Funding Source Schedule

Section of the Detail of Capital Projects Page that displays the various funding sources and schedule for the capital project.

General Fund Capital

Capital projects that are funded by the General Fund. These projects are typically those that are not supported by designated capital funds.

Infrastructure Management System (IMS)

The City's computerized system used to identify the condition of streets, sewers and other infrastructure, forecast maintenance needs and project future replacement expenditures.

Mission

A unifying statement of why an organization exists.

GLOSSARY OF TERMS (CONT'D.)

Operating Budget

A financial plan for the provision of direct services and support functions.

Rebudget

Unspent or unencumbered prior year funds reauthorized for the same purpose as previously approved, usually as a result of delays in project schedules.

Reserve

Funds budgeted for a particular purpose but not authorized for immediate obligation.

Source of Funds and Use of Funds

Statements which display capital revenues by fund and capital expenditures by line item in the year they are anticipated to be received and expended.

Transfers

Transfers between funds to account for reimbursements for services, overhead expenses, or other payments.

Vision

A guiding statement describing a desirable future state toward which efforts should be directed. An effective vision statement inspires creativity while keeping an organization "on track" for the future by aligning its priorities.

FUND DESCRIPTIONS

Branch Libraries Bond Projects Fund

Accounts for General Obligation bond proceeds approved by voters on the November 2000 ballot (Measure O). The use of this fund is dedicated to acquisition of property, and expansion and construction of branch libraries.

Building and Structure Construction Tax Fund

Tax on residential, commercial, and industrial development. The use of these funds, along with grant revenues, is restricted to traffic capital improvements on major arterials and collectors, including bridges, culverts, lighting and traffic control systems that increase traffic volume.

Central Service Yard Acquisition and Development Fund

Accounts for bond proceeds for the acquisition and development of a new central service yard.

City Hall Renovation Construction Fund

Accounts for the revenues and construction costs related to the renovation of the existing City Hall.

Civic Center Construction Fund

Accounts for the revenues and construction costs related to the construction of a new Civic Center.

Civic Center Improvement Fund

Accounts for Commercial paper proceeds for improvements to the new Civic Center, including technology, furniture, and equipment.

Civic Center Parking Fund

Accounts for bond proceeds for construction of the Civic Center off-site parking garage.

Construction and Property Conveyance Tax Funds

The Construction Tax is a flat rate assessed on residential, commercial and industrial development. The Property Conveyance Tax is a fee imposed at a rate of \$3.30 for each \$1,000 of the value of property conveyed. Construction and Property Conveyance Tax Funds are dedicated to the Park and Community Facilities, Park Yards, Communications, Fire, Library and Service Yards capital programs.

Construction Excise Tax Fund

Tax on the construction of residential, commercial and mobile home developments (also referred to as the Commercial, Residential, Mobile Home Park Building Tax). This tax is based on building valuation, with the majority of the revenues in the fund historically being used for traffic improvements.

Emma Prusch Memorial Park Fund

Established for the development and improvement of Emma Prusch Memorial Park.

Fiber Optics Development Fund

Accounts for the installation of a fiber optic conduit system that the City will own and lease to telecommunication companies and other users.

FUND DESCRIPTIONS (CONT'D.)

General Purpose Parking Fund

Accounts for operation of City parking lot facilities, parking lots and parking meters located within the City. Financing and capital construction of certain parking facilities are also accounted for within this fund. The Parking System provides parking to the general public and is financed through parking fees.

Lake Cunningham Park Fund

Accounts for the parking fees and lease payment revenues used for the purchase of equipment, maintenance and operations at Lake Cunningham Park.

Library Benefit Assessment District Fund

Accounts for the annual assessment revenues to be used for enhancing the City's library services and facilities.

Major Collectors and Arterial Fund

Accounts for the collection of monies owed by developers for previously completed street improvements.

Major Facilities Fund

Accounts for the rental revenues received from the Hayes Mansion and the Ice Centre operations and provides for the accumulation and transfer of base rental income to the appropriate debt service funds for repayment of the facilities-related debts.

Municipal Water System Funds

Funds were established to account for the five water system operating districts: North San José, Evergreen, Coyote, Edenvale, and Alviso. The water system provides services to the general public on a continuing basis and is financed through user charges.

Neighborhood Security Act Bond Fund

Accounts for General Obligation Bond proceeds authorized by voters on the March 2002 ballot (Measure O). The use of this fund is dedicated to acquisition of real property and construction and rehabilitation of public safety-related facilities.

Norman Y. Mineta San José International Airport Capital Funds

Finance the Airport's capital expenditures and consist of the following: Airport Capital Improvement Fund; Airport Revenue Bond Improvement Fund; Airport Renewal and Replacement Fund; and the Airport Passenger Facility Charge Fund.

Parks and Recreation Bond Projects Fund

Accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure P). The use of this fund is dedicated to acquisition of property, and upgrades and construction of neighborhood parks, community centers, trails, regional parks and sports complexes.

Residential Construction Tax Contribution Fund

Accounts for taxes imposed upon the constructor of single-family dwelling units or any mobile home lots in the City. The tax is collected and placed in the Residential Construction Tax Contribution Fund and is used to reimburse developers who have constructed that portion of an arterial street

FUND DESCRIPTIONS (CONT'D.)

Residential Construction Tax Contributions Fund (Cont'd.)

that is wider than what is normally required in connection with residential development. The funds are also used to construct median island landscaping and other street improvements.

Sanitary Sewer System Funds

Accounts for connection fees charged to new development to access the City's sanitary sewer system and the regional San José/Santa Clara Water Pollution Control Plant (WPCP). Connection fee revenues are restricted to the construction and reconstruction of the system. The Sewer Service and Use Charge Capital Improvement Fund receives a transfer from the Sewer Service and Use Charge Operating Fund for the reconstruction of the sanitary sewer system.

San José-Santa Clara Treatment Plant Capital Fund

Accounts for the construction of improvements to the regional San José/Santa Clara Water Pollution Control Plant (WPCP) and the purchase of equipment through contributions from the City of Santa Clara and other tributary agencies, and transfers from the Sewer Service and Use Charge Operating Fund.

Services for Redevelopment Capital Projects Fund

Funds paid directly by the Redevelopment Agency for construction and acquisition of public improvements on behalf of the Agency. Agency funds are transferred to the City upon authorization to proceed with projects via the Project Services Memorandum process.

Storm Drainage Fee Fund

Accounts for fees collected from developers as a result of connections to the storm drainage sewer system that may be used for construction, reconstruction and maintenance of the storm drainage system and for land acquisition for such system.

Subdivision Park Trust Fund

Accounts for payments of fees in lieu of dedication of land for park and recreation purposes in residential subdivisions. Monies in the fund, including accrued interest, may be expended solely for the acquisition or development of improvements on parkland to serve the subdivision for which the fees were paid.

Storm Sewer Capital Fund

Accounts for revenues collected from owners of properties that benefit from the storm drainage system. A portion of these funds, which are deposited into the Storm Sewer Operating Fund, are transferred to the Capital Fund for capital improvements. Funds may be used for the construction and reconstruction of the storm drainage system.

FUND DESCRIPTIONS (CONT'D.)

Underground Utility Fund

Accounts for revenues received as assessments and fees for the City's costs and expenses to place certain utility facilities underground. The Underground Utility Program implements the City's General Plan goals and policies, which state that the City should encourage the movement of existing overhead utilities underground. The fund is used to establish Rule 20B Underground Utility Districts.